

Part A

STRATEGIC STATEMENT

Strategic Statement

1. Key objective

The key objective of this Agreement is to support the achievement of the Australian Government's social policy outcomes through the successful delivery of services provided by Centrelink on behalf of the Department of Families, Community Services and Indigenous Affairs (FaCSIA).

2. Parties to the Agreement

The parties to the Agreement are:

- ▶ the Secretary, FaCSIA
- ▶ the Chief Executive Officer, Centrelink

2.1 Role of the BPA

The Secretary of FaCSIA and the CEO of Centrelink agree to support the Agreement and its objectives as the key document governing the relationship between the two organisations. FaCSIA and Centrelink staff will treat the document in a like manner, binding both organisations to the objectives of the BPA.

3. FaCSIA's objectives

FaCSIA's purpose is 'improving the lives of Australians by helping to build the capacity and well-being of individuals, families and communities'.

FaCSIA is responsible for ensuring that the Australian Government's social policies are implemented as required by the Minister through the purchasing arrangements it makes with Centrelink and other service providers.

3.1 FaCSIA's 2006–07 outcomes

The government's outcomes for FaCSIA, as identified in the 2006–07 Portfolio Budget Statements, are:

1. greater self reliance and economic, social and community engagement for Indigenous Australians
2. seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community
3. families and children have choices and opportunities
4. strong and resilient communities.

3.2 FaCSIA's Strategic Themes

FaCSIA's Strategic Themes, providing a high level, longer term focus are:

- ▶ maximising economic and social participation including through business, community and other partnerships
- ▶ focusing on early intervention, especially for children and families
- ▶ assisting those who are most disadvantaged
- ▶ achieving better outcomes for Indigenous Australians
- ▶ responding to intergenerational change
- ▶ balancing rights and responsibilities in the design and delivery of government assistance
- ▶ providing and supporting whole of government leadership.

3.3 FaCSIA's Priority Business Results for 2006–07

FaCSIA's Priority Business Results reflect the FaCSIA Minister's higher level priorities for 2006–07. They link to FaCSIA's Strategic Themes and Outcomes and will be reviewed annually. FaCSIA's Priority Business Results are:

- ▶ measurable improvement in program compliance, efficiency and impact
- ▶ improve access to child care, especially for working parents
- ▶ measurable improvement in outcomes for Indigenous people from mainstream and targeted programs
- ▶ implement the government's child support reforms
- ▶ successfully establish strategic interventions in a range of Indigenous communities, in partnership with state and territory governments
- ▶ measurable improvement of the impact in communities of our community based programs and interventions.

4. Centrelink's objectives

4.1 Centrelink's purpose

Centrelink's purpose is 'serving Australia by assisting people to become self sufficient and supporting those in need'.

Centrelink is an agency within the Department of Human Services that delivers a range of Australian Government services to the Australian community. Centrelink is a statutory agency responsible to the Minister for Human Services, operating under the *Commonwealth Services Delivery Agency Act 1997*.

Centrelink's Outcome Statement, as identified in the 2006–07 Portfolio Budget Statements, is:

'Access to Government services that effectively support: self sufficiency through participation in employment, education, training and the community; families and people in need; and the integrity of Government outlays in these areas.'

The government's expectations of Centrelink are clearly set out by the Minister for Human Services in a document called the Statement of Expectations. The Statement of Expectations covers the period 1 October 2005 to 30 September 2006.

4.2 Centrelink Strategic Themes

Centrelink's Strategic Themes are:

- ▶ building confidence in Centrelink
- ▶ strengthening our customer focus in line with government direction
- ▶ developing a networked organisation
- ▶ building capability for government
- ▶ demonstrating value for money.

5. Purpose of the BPA

This Agreement establishes FaCSIA's requirements of Centrelink in the delivery of services. These requirements recognise that achieving Australian Government objectives requires the effective combination of policy development with efficient and effective service delivery.

The Agreement defines the objectives, principles, mechanisms and respective roles and responsibilities that form the basis for an ongoing business relationship between FaCSIA and Centrelink. This Agreement replaces the Business Alliance Agreement 2004 to 2008.

5.1 Intent of this Agreement

The intent of this Agreement is to:

- ▶ fulfil the legislative requirements of Section 7(1) of the Commonwealth Services Delivery Agency (CSDA) Act
- ▶ describe the services Centrelink delivers under the Agreement
- ▶ describe key government outcomes from effective delivery of services and define and describe the required outputs
- ▶ describe the service delivery indicators to be met by Centrelink and FaCSIA
- ▶ outline the financial arrangements that apply to service delivery of FaCSIA programs by Centrelink consistent with the requirements of the CSDA Act and the *Financial Management and Accountability Act 1997* (FMA Act).

6. Principles of the BPA

Changes made by the October 2004 and January 2006 Administrative Arrangements Orders have altered the relationship between FaCSIA and Centrelink and redefined the outcomes of both organisations.

The BPA provides the structure for the relationship through business frameworks and program level protocols based on identified risks to the achievement of FaCSIA's outcomes, articulated through agreed service delivery indicators.

6.1 Business Frameworks

The five overarching business frameworks provide high level guidance, and include mechanisms and respective roles and responsibilities that form the basis for FaCSIA and Centrelink's ongoing business partnership. The frameworks are:

- ▶ Relationship and Communication
- ▶ Service Delivery Indicator/Assurance
- ▶ Data
- ▶ Centrelink Funding Model
- ▶ Indigenous.

6.2 Protocols

The protocols detail the operational aspects of corporate, program and cross program interactions between FaCSIA and Centrelink, including identified risks and performance measures in service delivery indicators (SDI) tables.

6.3 Service Delivery Indicators

SDI to be met by Centrelink

SDI are used to measure those areas of Centrelink's performance critical to the success of achieving FaCSIA's outcomes. The SDI are:

1. Payment Integrity
 - correct¹ payments to eligible customers
 - effective prevention, identification and recovery of debt.
2. Effective Customer Servicing
 - Centrelink's contribution to FaCSIA's policy outcomes through effective and efficient service delivery management.
3. Data and Systems Integrity
 - the provision of accurate, consistent and quality information to FaCSIA to inform policy development and program improvements and monitor service activity and other SDI
 - the provision of timely and reliable information that assures FaCSIA that risks to its business, as delivered by Centrelink, are being managed effectively.
4. Assurance
 - the provision of assurance that the above SDI are being met through meeting reporting requirements as specified.

SDI to be met by FaCSIA

5. Policy Advice
 - FaCSIA will provide Centrelink with accurate, timely and clear policy advice (including through the provision of *The Guide to Social Security Law*, *The Guide to the Family Assistance Law*, and helpdesks) to assist Centrelink to achieve the SDIs outlined above
 - provision of comprehensive and timely business requirement statements for new or changed policy deliverables
 - where possible, FaCSIA is to consult Centrelink in the development of policy options with service delivery implications.

The SDI can be varied and new indicators added at any time during the term of the BPA by written agreement between the parties as provided by section 8.6 of the Agreement.

¹'Correct' means 'right person, right payment, right rate, and at the right time'

7. Legislative framework

Centrelink delivers FaCSIA services in accordance with relevant Australian Government legislation, and:

- ▶ *The Guide to Social Security Law*
- ▶ *The Guide to the Family Assistance Law*
- ▶ Parts A, B and C of this Agreement
- ▶ other documentation and advice agreed by FaCSIA and Centrelink.

FaCSIA and Centrelink will comply with Australian Government requirements that take precedence over this Agreement. Both organisations will uphold the Australian Public Service Values and Code of Conduct, which include accountability and responsiveness to the Australian Government.

8. BPA arrangements

8.1 Term of the Agreement

This Agreement commences on 1 October 2006 and expires on 30 September 2010.

Negotiations for a new BPA will commence no later than 1 February 2010, with an implementation date of 30 September 2010.

If a replacement agreement has not been finalised by 30 September 2010, this agreement continues in force until such time as a new Agreement is in place.

8.2 Review of the Agreement

The protocols in part C of this Agreement will be reviewed annually for the life of the Agreement, unless otherwise agreed.

8.3 Continuation of services

Centrelink will continue to provide all of the services that are current at the commencement of this Agreement on behalf of FaCSIA unless otherwise agreed by the relevant FaCSIA branch manager and Centrelink national manager (constituting a variation of the Agreement), or altered by Government decisions.

If FaCSIA fails to enter into a new BPA with Centrelink at the expiration of this BPA, both parties agree to do all that is necessary for the successful continuation by a new organisation, in a timely and seamless manner, of all ongoing FaCSIA services.

8.4 Governance

This Agreement is governed by arrangements relating to the following:

1. FaCSIA-Centrelink Executive Committee
2. Business Governance Committee
3. Business Partnership Committee
4. Relationship Managers of both organisations
5. Program manager meetings.

8.5 Dispute resolution

Where a dispute or alleged default arises under this Agreement, both parties will endeavour, in good faith, to resolve the dispute expeditiously and amicably by following these procedures:

- ▶ the party claiming a dispute gives a written summary of the dispute to the other party
- ▶ the relevant Centrelink and FaCSIA Senior Executive Service (SES) officers responsible for the disputed matter undertake negotiations and meet as soon as practicable to resolve the dispute
- ▶ if the dispute is not resolved, it is referred to the Business Committee for resolution
- ▶ if the dispute remains unresolved, it is escalated to the Secretary of FaCSIA and the Chief Executive Officer of Centrelink for resolution at the FaCSIA-Centrelink Executive Committee.

When a dispute exists, each party will continue to perform its obligations under the Agreement.

8.6 Variations

Variations to Part A of this Agreement need to be jointly signed by the Secretary, FaCSIA and the Chief Executive Officer, Centrelink.

FaCSIA or Centrelink staff can initiate a variation to Part B or C of the BPA by formally submitting a Variation Agreement form to the Branch Manager, Social Security Relationships and Compliance Branch, FaCSIA, and the National Manager, Seniors, Carers and Means Test, Centrelink, jointly signed by the relevant FaCSIA branch manager and Centrelink national manager.

8.7 Termination of the Agreement

This Agreement can be terminated by either party in writing, signed by the signatories to the BPA, provided:

1. the Notice of Termination nominates a termination date at least six months after the date of the Notice
- 2.. the Notice of Termination cannot be executed until all outstanding financial matters have been resolved between the parties to the satisfaction of the signatories to the BPA
3. the parties have agreed in writing, to the satisfaction of the signatories to this BPA, to any handover, transition or succession arrangements necessary to and consequent upon the termination of this Agreement.

This BPA can be immediately terminated by Ministers responsible for FaCSIA and Centrelink.

Terms and Definitions

In this Agreement, unless the context otherwise requires:

- ▶ ‘the Ministers’ means the Commonwealth Minister for the Department of Families, Community Services and Indigenous Affairs and the Commonwealth Minister for the Department of Human Services who has responsibility for Centrelink
- ▶ ‘the Secretary’ means the Secretary, Commonwealth Department of Families, Community Services and Indigenous Affairs
- ▶ ‘Centrelink’ means the agency described as the Commonwealth Service Delivery Agency in the Commonwealth Services Delivery Agency Act
- ▶ ‘the CEO’ means the Chief Executive Officer, Centrelink
- ▶ ‘FaCSIA’ means the Commonwealth Department of Families, Community Services and Indigenous Affairs
- ▶ ‘government’ means the Commonwealth Government unless otherwise specified
- ▶ ‘services’ includes any product or service provided by Centrelink to a Centrelink customer on behalf of FaCSIA, or to FaCSIA itself; or the provision of any services by FaCSIA to Centrelink
- ▶ ‘this Agreement’ means the whole agreement between the parties, constituted by the ‘Strategic Statement’, ‘Business Frameworks’ and ‘Business Protocols’ and other documents therein referred to
- ▶ ‘Finance’ means the Department of Finance and Administration unless otherwise specified
- ▶ ‘Portfolio Budget Statements (PBS)’ are statements prepared by policy departments to define planned government outcomes relative to budget appropriations
- ▶ ‘Output Groups’ means the grouping of programs and services in accordance with the groupings in the Portfolio Budget Statements
- ▶ ‘Business Frameworks’ means the frameworks included in this Agreement. The Business Frameworks set out the principles, mechanisms and respective roles and responsibilities that form the basis for an ongoing business relationship between FaCSIA and Centrelink. Business Frameworks offer support and governance for all Business Protocols and take precedence over all Business Protocols

- ▶ ‘Business Protocols’ means the Business Protocols included in this Agreement. The Business Protocols are agreed between FaCSIA and Centrelink branches, or other specified business areas. They set out the payments and services, risks and performance measures, joint priorities to be worked on, and common communication and program management arrangements that are generally unique to a given output group. Business Protocols are not totally self contained documents but are to be read in conjunction with the Strategic Statement and Business Frameworks. The Business Protocols are generally categorised by Departmental output group to align with the PBS.
- ▶ ‘Service Delivery Indicators’ are used to measure those areas of Centrelink’s performance critical to the successful achievement of FaCSIA’s outcomes.

